Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

UNCLASSIFIED

PAGE 01 BOGOTA 09085 282225Z
ACTION ARA-14

INFO OCT-01 ISO-00 EB-08 /023 W
----------074953 290515Z /20
R 282118Z SEP 77
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC 4021
INFO USDOC WASHDC

UNCLAS BOGOTA 9085

E.O. 11652: NA
TAGS: BENC, CO
SUBJECT: MAJOR PROJECT: PAPER MILL

REF: BOGOTA A-70; STATE 192300

USDOC FOR MEPD, SIPS

1. THE INDUSTRIAL DEVELOPMENT INSTITUTE (INSTITUTO DE FOMENTO INDUSTRIAL, IFI) IS AN ENTITY CREATED BY THE CENTRAL GOVERNMENT TO PROMOTE INDUSTRIAL PROJECTS, ESPECIALLY IN THOSE AREAS WHERE THE PRIVATE SECTOR FEARS TO INVEST DUE TO HIGH INVESTMENT COSTS AND RISKS INVOLVED. WHEN IFI BELIEVES THAT A WORTHY INDUSTRIAL PROJECT CAN BE DEVELOPED, IT PROMOTES THE IDEA IN GOVERNMENT AND PRIVATE SECTORS. IF THE IDEA SPARKS ENOUGH INTEREST, THE GOVERNMENT AND THOSE INTERESTED PRIVATE FIRMS CREATE A PROMOTORA, AN ENTITY WHICH WILL BE IN CHARGE OF CONTRACTING ALL FEASIBILITY STUDIES AND USUALLY CONTROL THE PROJECT THROUGH ITS CONSTRUCTION STAGE. THIS IS THE CASE OF THE COMPANIA PROMOTORA PAPELERA COLOMBIANA LTDA.- PAPECOL.

2. MAIN PARTNERS IN THIS PROMOTORA ARE: IFI; CORPORACION FINANCIERA DEL VALLE (A REGIONAL FINANCIAL INSTITUTION); CORPORACION FINANCIERA COLOMBIAN (ANOTHER FINANCIAL INSTITUTION); CARVAJAL S.A., DANARANJO S.A., ITALGRAF,
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PAGE 02 BOGOTA 09085 282225Z

THOMAS DE LA RUE, LITOGRAFIA ARCO (THESE LATTER FIVE ARE THE LARGEST COLOMBIAN FIRMS IN THE GRAPHIC ARTS INDUSTRY); INVERSIONES E INDUSTRIA S.A. (AN INDUSTRIAL PROMOTING FIRM); AND AZUCARES Y MIELES DE COLOMBIA-AZUCARMIEL S.A. (A SUGAR CANE TRADING FIRM).

3. PAPELCOL CONTRACTED THE PREFEASIBILITY STUDIES WITH

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

THE LOCAL FIRM, CONSULTORES TECNICOS, ECONOMICOS Y FINANCIEROS LTDA.- CONTELFIN. MR. JAMES J. HARRISON, A U.S. PRIVATE CONSULTANT IS ASSISTING CONTELFIN AND THEY WILL SUBMIT THE PREFEASIBILITY STUDIES BY THE END OF SEPTEMBER. PAPELCOL WILL REVIEW THE RESULTS WITH THE ASSISTANCE OF MR. ROBERT C. MONTANA, ANOTHER U.S. EXPERT IN THE FIELD.

4. THE NEXT STEP WILL BE TO CONTRACT OUT THE FEASIBILITY STUDIES. SEVERAL INTERESTED U.S. FIRMS HAVE REGISTERED WITH PAPELCOL FOR THIS PURPOSE (NO NAMES WERE REPORTED.) THE PRODUCTION OF THE PLANT HAS BEEN ESTIMATED AT BETWEEN 70,000 TO 80,000 MT PER YEAR AND THE REQUIRED INVESTMENT WOULD AMOUNT TO AROUND US$100 MILLION. THE IDEA IS TO ESTABLISH A MIXED CORPORATION IN WHICH 51 PERCENT OF THE ASSETS WILL BE LOCALLY OWNED. FOR THE REMAINING 49 PERCENT PAPELCOL IS TRYING TO FIND FOREIGN FINANCING FROM PRIVATE FIRMS AND INTERNATIONAL FINANCING INSTITUTIONS.

5. THE EQUIPMENT WILL BE ACQUIRED THROUGH INTERNATIONAL TENDERS, BUT IS HAS NOT BEEN DETERMINED AS YET WHETHER IT WILL BE THROUGH A PRIVATE OR PUBLIC PROCEDURE. WHATEVER THE METHOD, PAPELCOL ASSURED THE EMBASSY THAT U.S. FIRMS WILL BE INFORMED.
COMPANIA PROMOTORA PAPELERA COLOMBIANA LTDA.-
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PAPELCOL
CARRERA 9 NO.9-49, PISO 11
A.A. (P.O. BOX) 6905
CALI, COLOMBIA
DR. ALFONSO OCAMPO LONDONO, PRESIDENT
DREXLER

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Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BOGOTA09085
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Format: TEL
From: BOGOTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770914/aaaaalpl.tel
Line Count: 100
Litigation Code IDs:
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Litigation History:
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Office: ACTION ARA
Original Classification: UNCLASSIFIED
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Retention: 0
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Review Content Flags:
Review Date: 05-Jan-2005 12:00:00 am
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Review Release Date: n/a
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Review Withdrawn Fields: n/a
SAS ID: 1108681
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: PAPER MILL
TAGS: BENC, CO
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/a1c48c3b-c288-dd11-92da-001cc4696bcc
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Margaret P. Grafeld
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US Department of State
EO Systematic Review
22 May 2009
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